# Management development: in search of a new role?

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**Abstract** *This paper argues, based on academic research as well as personal experience, that management development (MD) functions are not always utilising their resources, either in terms of people or time, effectively. They are perceived to spend large amounts of their time on "administrative" or "welfare" aspects of the role whilst neglecting some of the more strategic issues or roles. Using a model of HR roles, we explore the potential roles for the MD function, analysing exactly what each role would imply for MD activities. We conclude by suggesting that MD is in many cases in danger of becoming left behind as the rest of the HR function moves onto more strategic concerns. Thus the challenge is to forge a more strategic role, either as a strategic business partner or as a change agent.*

## Management development: in search of a new role?

Daisy Smith paused as she flicked her PowerPoint presentation forward to the next slide. Daisy was so familiar with this part of her presentation that she was able to lecture on autopilot while musing to herself. She was presenting, in her capacity as a leading management consultant and trainer in her field, on a Senior Executive Development programme for WorldCorp, a major multinational. Daisy was the programme director for this strategy programme, which she had now run with great success on at least four previous occasions for WorldCorp.

Daisy glanced around her audience and took in the engaged faces of the senior executives seated, cafeteria style, at tables around the room. Her eye was inexorably drawn to the back of the room where, at his own separate table, sat Dick Jones, the management development head for WorldCorp. Daisy noticed that Dick was making detailed notes in his usual fashion and she knew he would want to discuss them with her later; often to question why she had done something slightly differently on this occasion compared to previous programmes. Daisy also knew that as soon as she had introduced the following experiential exercise, and announced a break, Dick would quickly join the participants and attempt to obtain informal feedback about how the session was being received.

Daisy reflected that Dick seemed excessively concerned with achieving positive feedback for the programme and she also wondered how Dick found the time to sit in on all of the core WorldCorp management development programmes. "Surely", she mused, "once you have seen this strategy session twice, diminishing returns set in".

The previous vignette is not supposed to be representative and bears no resemblance to any real person. It is, however, meant to be provocative and many "management developers" will take exception to it. However, the reality is that many consultants and trainers will have experienced similar moments and situations. The thesis of this paper, based on academic research as well as personal experience, is that MD functions are not always

utilising their resources, either in terms of people or time, effectively. They often seem to spend large amounts of their time on "administrative" or "welfare" aspects, whilst neglecting some of the more strategic issues or roles. Indeed, in this article it will be argued that MD is in many cases in danger of becoming left behind as the rest of the HR function moves onto more strategic concerns.

In some ways MD is an odd function. In many large organisations internal management development staff have been outplaced and internal management development and training centres, often country houses, sold off. In many organisations senior management development is completely outsourced, either to major business schools, large consulting firms, or independent contractors. In one sense this is not unusual, and indeed is part of a much larger trend within HR towards outsourcing. HR departments have outsourced numerous functions including payroll, recruitment, pensions, employee counselling, car schemes, canteens, and many more (Millward et al., 1992; Sisson, 1995). What is unusual about MD, however, is that HR staff rarely feel the need to spend time "observing" the contractors to whom these functions have been outsourced. Instead, having set performance targets and periodic monitoring mechanisms, they leave the contractor to deliver the service and use the time and resources thus freed up for other strategic priorities. As our earlier vignette would suggest, this is not always the case in MD.

In order to explore our thesis regarding the role of MD in more detail we can turn to the work of Dave Ulrich and his, by now well-known, model of potential roles for the HR function (Ulrich, 1997). Ulrich delineates two key dichotomies in HR work. The first concerns whether the work is strategic and future-focused or whether it is operational with a day-to-day orientation. The second asks whether HR is more concerned with people or processes. Using these two differentiators Ulrich derives four potential roles for HR: the employee champion; the administrative expert; the strategic business partner; and the change agent. Let us consider each in turn and relate them to MD.

**Management development as employee champions**
The HR role as an employee champion focuses on people rather than processes and operates largely at an operational rather than strategic level. As Ulrich notes, "The [employee champion] role for HR professionals encompasses their involvement in the day-to-day problems, concerns, and needs of employees. In companies in which intellectual capital becomes a critical source of firm's value, HR professionals should be active and aggressive in developing this capital. HR professionals thus become the employees' champions by linking employee contributions to the organization's success" (Ulrich, 1997, p. 29). This role can be seen to originate in the welfare focus of HR (in its earlier incarnation of personnel management) in that it is concerned with the well being and

development of staff as individuals. There is a concern here for fairness and for the protection of employee rights that in many jurisdictions have now been enshrined in legislation. In some senses the employee champion role can also be seen as taking the employee "side" rather than the side of management. Whilst Ulrich uses the term employee champion from his work in the USA, my own work in UK-based HR has led me to adopt the term responsible employer for this role. In many cases I have found UK-based HR professionals who see one of the central functions of HR as staying within the bounds of existing legislation and as providing policies and procedures to enable line managers to avoid falling foul of the law.

To what extent do MD functions and MD staff adopt this role? We would suggest that many do and would argue that traditionally this role has been central to much training and development activity. We can see this in terms of some of the behaviours in our opening vignette. Many MD staff are extremely concerned with achieving positive participant feedback, both during and post programme. Feedback is usually obtained informally by talking to participants or by observation and more formally from written evaluation questionnaires. It is indicative of this role that such questionnaires are often colloquially referred to as "happy sheets" by those in the business.

Whilst many MD staff are content with post programme evaluations, we have noticed that those who operate centrally out of this paradigm are more likely to insist on constant, almost daily, evaluations as the prime measure of success of the development initiative. Such staff would also tend to want to sit in on the programme to monitor the "temperature" of the group. From this perspective there is also a focus on the individual and distinct training needs of individual managers as opposed to the more general needs of the organisation. Thus individual action planning and career counselling are heavily stressed. At its most basic, this approach seems to focus on providing training and development that individual managers want, need and will be happy with. As a result, the development provision tends to be relatively safe and non-threatening.

## Management developers as administrative experts
As we move from the bottom right quadrant of Ulrich's model to the bottom left, we move from a concern with people as individuals to a concern with process efficiency. This role "requires that HR professionals design and deliver efficient HR processes for staffing, training, appraising, rewarding, promoting, and otherwise managing the flow of employees through the organization". HR professionals ensure that these organizational processes are designed and delivered efficiently. Historically, this was a move that the HR profession more generally made a long time ago with an increasing focus on the efficient and effective delivery of HR services to internal customers. In many cases this consisted of HR providing sets of standardised products and services,

including recruitment and training throughout the organisation. Success in this paradigm is measured by the ability to deliver high quality services at lowest cost as quickly and efficiently as possible. In my own work in the UK and elsewhere I have often termed this the "mechanic" function, using the analogy of someone who wants their car serviced but does not have the requisite skills taking it to their local car dealership. The customer knows what they want (a 10,000 mile service) but not how to do it and thus hands over the car to an expert mechanic, expecting a high quality job to be completed within the day and at a reasonable cost. In some ways this is similar to the "garage" function of training noted by Lees (1992).

Is there any evidence that MD functions and MD staff adopt this role? The answer would have to be in the affirmative. Many organisations that we have worked for, and with, in the last 20 years have had catalogues of standard management training and development programmes which are either delivered regularly or on demand throughout the organisation. Business units send their staff to these programmes expecting them to be run in a cost-effective manner and expecting their staff to return having gained appropriate new knowledge, skills, competencies or attitudes from the development intervention. The typical measures of success of those operating from the heart of this paradigm would include numbers of staff trained per year, training days per staff member, cost per training day, and, of course, end of programme evaluations.

In order to operate in this administrative support mode, MD functions have to engage in a number of activities and processes that could easily be seen as "non-core". They also often have to build up the appropriate level of administrative resources to deal with the burden of this activity. Thus they end up facing the central dilemma faced by other parts of the HR function: "How can we become more strategic when we have all this operational and administrative work to do?".

The classic response to this dilemma is that in order to do something new then some existing work has to be dropped. The choices can be expressed as outsource, re-engineer, automate or eliminate. It is clear that in the case of MD there is great potential scope for reducing some of the administrative/operational activities. For example, activities such as venue booking, faculty booking and organising, sending out joining instructions and issuing pre-work could all be outsourced to external development providers. Training record keeping, training data analysis and the provision of a training and development database of both opportunities and providers could all be automated using new technology. This would then free up the MD function to focus on more strategic roles.

## From the operational to the strategic?

We would suggest that to date MD functions have spent too much time and attention on the bottom two roles in the Ulrich model (See Figure 1). There is a

Business Partner — Strategic — Change Agent

Process — People

Administrative Expert — Operational — Employee Champion

Source: Adapted from Ulrich (1997)

Figure 1.
HR roles

need for MD, as a function, to position itself as more strategic, although this will require some real changes in behaviours, skills and competencies as well as the usual rhetorical posturing. Unlike Ulrich, who seems to imply that HR functions and senior HR staff can play all four roles, we would argue that the upper two roles are largely mutually exclusive. Thus MD functions have to choose whether they wish to pursue the strategic business partner role or the change agent role.

## Management developers as strategic business partners

"The strategic HR role focuses on aligning HR strategies and practices with business strategy. In playing this role, the HR professional works to be a strategic partner, helping to ensure the success of business strategies. By fulfilling this role, HR professionals increase the capacity of a business to execute its strategies" (Ulrich, 1997, p. 26). In adopting the strategic business partner role, any HR function (or part of an HR function) has to focus on translating business strategy into action. At one level this is a strategy implementation role, pure and simple. HR's role is to take the intended strategic direction of the business and show how HR, through its particular set of skills and competencies, can achieve the implementation of the strategy. Thus the role is one of aligning HR practices with the business strategy. Various commentators have demonstrated how this could be done. Schuler and Jackson (1987) showed how generic organizational strategies such as cost leadership and differentiation could be related to various aspects of HR practice, including

training and development. Similarly, Carnevale *et al.*(1990) have shown how the "umbrella" strategies of concentration, internal growth, external growth and disinvestment can be linked to training and development.

However, as Ulrich and others have pointed out, this is only part of the role. HR is unlikely to have the credibility to be involved in strategic implementation unless it is also involved in strategic deliberation and formulation. Thus to pursue this role fully, HR, and the senior HR executive, needs to be a full and equal partner in the executive team.

This role raises a number of issues for any HR function. First, to what extent has the HR function proved their competence and ability to perform by delivering the operational roles to an excellent standard? Second, to what extent do senior HR staff possess the necessary business, commercial and strategic competencies to work, and to be accepted, as an equal partner at this level? Finally, to what extent is the HR function willing to abandon a "best-practice" model?

Many HR professionals, having been brought up within the operational paradigm, adopt, consciously or unconsciously, a "best-practice" approach. This states, at its most basic, that a "good" HR function should adopt certain policies, procedures and practices that are seen as "state-of-the-art". This often involves benchmarking other companies to discover what innovative practices they are adopting (Fitz-Enz, 1997). The strategic business partner role runs totally counter to the best practice approach. In this role the key issue is to identify what HR policies, procedures and practices are necessary to deliver the business strategy and objectives and to focus on these at the expense of others. Thus in this role some "best-practices" will not be adopted.

What would this role look like for the MD function? It would imply that MD has to be closely connected to the senior executive team. It is interesting that in the oft quoted example of General Electric (GE) (Tichy and Sherman, 1994) it was critical to the culture change that the group of key MD staff, some brought in from outside GE including Professors Noel Tichy, Steve Kerr and Ulrich himself, had extensive personal access to Jack Welch, the CEO. In the typical multi-business (or M Form) organisation it would imply the MD should be located in each of the businesses to enable them to get close to the particular business unit strategies rather than located with corporate staff. It would also imply that MD staff need to spend more of their time interacting with the key decision makers within their businesses rather than externally pursuing what Ulrich has termed the "frou-frou trap". This refers to the tendency of HR and MD staff to pursue "cute, popular and faddish trends that don't add long term value" (Ulrich, 1997, pp. 62-63). Recent examples in MD might include Stephen Covey's seven habits (Covey, 1999) and Daniel Goleman's emotional intelligence (Goleman, 1996) amongst others.

Finally, the way in which such a function conducts evaluation would also be different. Instead of focusing on participant feedback (employee champion) or process efficiency (administrative expert) the strategic business partner would

focus on outcomes and deliverables. The function would be evaluated on whether it provided development which added value and aided strategic implementation. The function itself would be concerned to evaluate whether the development initiatives had led to actual changes in behaviour on the job and to strategic delivery. Interestingly, despite having suggested such evaluation in most of my MD proposals over 15 years, very few clients have taken up this offer. I believe this is, in part, due to the fact that most were not fully strategic business partner functions.

My impressionistic view of the lack of a strategic focus in MD appears to be supported by other commentators and more detailed research (Keep, 1989; Storey, 1992). As Mabey and Salaman (1995, p. 146). note, "there is as yet little evidence to demonstrate that UK organizations are actually taking a strategic approach to training and developing their staff, despite all the good reasons for doing so". A more recent survey by the CIPD in the UK would also seem to support this argument. "Perhaps the most striking feature [of the research] was that, despite significant expenditure by some organizations, more than 80 per cent of participants in the research had yet to gauge the impact of MD on their business. For example, few were evaluating changes in the quality of the organization's business plans or assessing changes in customer feedback. These findings indicate a lack of clarity in what organizations are trying to do with their management talent, and they shed new light on why the quality of management in the UK has often been criticised. They also help to explain why managers and even business academics regularly question the business relevance, investment returns and quality of MD" (Staunton and Giles, 2001).

## Management developers as change agents

The change agent role is both strategic and process oriented. Ulrich suggests that HR staff act as change agents when they "help make change happen; they understand critical processes for change, build commitment to those processes and ensure that change occurs as intended" (Ulrich, 1997, p. 31). Thus the role of the change agent is one of change implementation and Ulrich argues that change skills and competencies are amongst the most important for success as an HR professional. HR as a change agent has the role of delivering an increased capacity and capability for change.

Whilst agreeing with the above, I believe that Ulrich (and others) failed to fully understand and appreciate the dual nature of the change agent role. As with the employee advocate, the change agent role is on the people axis. Whilst the employee advocate role focuses on people as individuals, the change agent role focuses on people (the "organisation") as a collective. It is thus concerned with the health and needs of the organisation as a whole. Just as the role of strategic business partner is not simply that of strategy implementation, the role of change agent cannot be simply one of change implementation. For me, the core of the role is the classic organisational development (OD) role of

holding up the "mirror" to the senior management of the organisation. Thus the change agent role involves pointing out the need for change as well as change implementation. In this sense, the role involves critique, challenge and destabilisation as much as it does facilitation, coaching and championing.

Looked at in this way, one can perhaps see why the strategic business partner role and the change agent role are very different and potentially mutually exclusive. The strategic business partner role is relatively safe in that one is working with the grain in terms of helping senior executives implement their strategic objectives. To the extent that HR helps achieve these goals, then it gets credit. On the other hand, the change agent role is both dangerous and precarious in that it involves challenging and testing the generally accepted, but often hidden, assumptions of the organisation.

What would a change agent style MD function look like? It would actively promote change where it believed that change was necessary. Such a function would sanction development activities which hold up the "mirror" to both the organisation and to individual managers, despite the level of discomfort produced. Such a function would engage in development activities aimed at destabilising the organisational mind-set and the perceptions and thought processes of individual managers. This process, in a classic Lewinian manner, would be designed to "unfreeze" the organisation prior to change. Consider the following two examples.

During the late 1990s I was involved as a consultant in a total cultural change initiative in one of the world's best known police forces. This seemed on the surface to be a fairly textbook process. The senior management had organized visioning workforces that cascaded down the force to gather views as to what culture was required for the future. This information was then collated at the centre and a new vision, mission and values statement was created which was then rolled out throughout the force using external consultants to present the new vision to all ranks in the organization. It was only towards the end of the assignment that I realised that the cultural change initiative had started within the equivalent of the MD function and not with senior management. A senior management developer had been an "agent provocateur" and through a process of "seeking forgiveness rather than permission" had managed to get senior management to sign onto a cultural change and then succeeded in getting them to own it.

Or consider the example of a leadership programme run for the group management board (GMB) of Inchcape in 1995. This programme was mandated by CEO Charles Mackay and was delivered by external consultants, EDC Ltd. Mackay wanted to change the culture of Inchcape and the leadership pilot programme for the GMB was a start in this direction. "Everyone had arrived at Horsted Place on a bright but chilly Sunday afternoon on April 2, 1995. All had followed the usual instructions to dress in the standard Inchcape way for such occasions: "smart casual". Despite the sweaters and sports jackets

and open-necked shirts, they looked anything but casual. The body language said very clearly, "I do *not* want to be here" (Butler and Keary, 2000, p. 216, emphasis in original). Starting on the Monday morning the GMB had received presentations on shareholder value, cross cultural management, and the Myers-Briggs type indicator from international business school faculty and consultancy firm staff. However, the real conflict (and learning?) seems to have started with the next speaker.

> Chaos was the subject of the next day, and Professor Ralph Stacey was the man to take the GMB into this newly fashionable area... At first, his calm exposition of how random events might have unforeseen consequences impressed his audience. But as he moved into the working of organisations discomfort levels began to build rapidly. Denial was setting in. How could this maverick individual suggest that the board might not be able to control or predict events? How dare he imply that capital investment appraisals were largely a waste of time and an elaborate charade for decisions that had already been lobbied for and taken in the corridor, rather than the board room? (Butler and Keary, 2000, p. 223).

After a further session on 360-degree feedback the workshop really reached boiling point and exploded. As one member of the GMB later commented, "In a sense, the leadership program, far from pulling us together as a team, probably finally said, 'This team cannot function together any longer'. There are points when teams become dysfunctional. I think all the members of the GMB knew it but didn't want to admit it" (Butler and Keary, 2000, p. 226). Interestingly, the GMB, despite some dissenting voices, agreed that the leadership programme should be rolled out on a business stream basis. And, equally interestingly, it proved to be de-stabilising once again, particularly at a workshop for the corporate team from headquarters.

After reviewing these examples, it might be asked; "by what right does any function play this role, which would seem to usurp the role of senior management?" There are generally two answers to this question. The first draws upon the analogy from politics of a "loyal opposition". As part of a system of checks and balances every organisation needs someone who will rigourously test current thinking by subjecting it to critical analysis and challenge. The second suggests that in the absence of such challenges one can easily end up in an "emperor's new clothes" situation where muddled thinking, hidden assumptions and inappropriate strategy go disastrously unchallenged.

## Conclusion
In this article it has been suggested that MD functions need to critically review their activity and their role. In many cases such functions would find that much of their current activity and resource allocation is located at the operational end of the spectrum. The challenge is to forge a more strategic role, either as a strategic business partner or as a change agent.

Unlike Ulrich, we would suggest that filling both of these roles together poses some difficulties. The strategic business partner role requires the MD function to work alongside the senior management of the business to produce

the managerial skills, competencies and talents that the strategy requires. In this sense it is purely a strategy implementation function. The change agent role, on the other hand, is always challenging the status quo and often seeking to de-stabilize it. It is essentially a "mirroring" function, in that the role of the MR function is to hold up a mirror to senior management and the strategy of the business. This is, of course, often a dangerous course of action and quite career threatening if it goes wrong. The strategic business partner role is naturally safer as it entails working hand-in-hand with the senior management team to help them deliver their already agreed strategy.

But whichever role the MD function chooses to play will probably require radical new skills and competencies and require letting go of some current and relatively safe activities. The choices are clear: which way will your MD function go?

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